



**MYANMAR METALS** LTD

Suite 4, 38 Colin Street

West Perth 6005 Western Australia

West Perth 6872 Western Australia

## **AUDIT COMMITTEE CHARTER**

### **Charter**

The Audit Committee (“Committee”) is a committee of the board of Directors of Myanmar Metals Limited (“the Company”) (“the Board”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for the Company’s external audit processes.

The Committee shall have the power to conduct or authorise investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company’s outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member’s duties as a member of the Board.

The Committee has the duty to determine whether the Company’s financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

### **Membership and Composition**

The Committee will endeavour to ensure:

- It has at least 3 members;
- it is made up of a majority of non-executive directors;
- The Chairman of the Committee must be an independent Director and shall be financially literate; and
- directors serving on the Committee have sufficient professional expertise and knowledge to allow them to properly discharge their duties.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chair of the Committee. In his or her absence, the Committee may appoint another person provided a quorum is present. The Chair will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.

## **Duties and Responsibilities**

The duties and responsibilities of the Committee shall be as follows:

### **Financial Reporting and Disclosure**

- i. Review and discuss with management and the external auditor at the completion of the bi-annual examination:
  - a. the Company's audited financial statements and related notes;
  - b. the external auditor's audit of the financial statements and their report thereon;
  - c. any significant changes required in the external auditor's audit plan;
  - d. any serious difficulties or disputes with management encountered during the course of the audit; and
  - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with management and the external auditor at the completion of any review engagement.
- iii. Review and discuss with management the annual reports and the Management Discussion and Analysis, and if applicable, and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- v. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- vi. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

### **External Auditor**

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.

- ii. Recommend to the Board of Directors the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.
- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:
  - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,
  - b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
  - c. approve in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements.

### **Internal Controls and Audit**

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Inquire of management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimise such risks to the Company.

### **Charter Review**

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

### **Adoption**

This Charter was adopted by the Board on 29 April 2019.